

Maine Revised Statutes
Title 13-C: MAINE BUSINESS CORPORATION ACT
HEADING: PL 2001, c. 640, Pt. A, §2 (new); Pt. B, §7 (aff)

Chapter 8: DIRECTORS AND OFFICERS HEADING:
PL 2001, c. 640, Pt. A, §2 (new); Pt. B, §7 (aff)

§833. DIRECTOR'S LIABILITY FOR UNLAWFUL DISTRIBUTIONS

1. Personal liability. A director who votes for or assents to a distribution in excess of what may be authorized and made pursuant to section 651, subsection 1 or section 1410, subsection 1 is personally liable to the corporation for the amount of the distribution that exceeds what could have been distributed without violating section 651, subsection 1 or section 1410, subsection 1 if the party asserting liability establishes that when taking the action the director did not comply with section 831.

[2003, c. 631, §18 (AMD) .]

2. Contribution; recoupment. A director held liable under subsection 1 for an unlawful distribution is entitled to:

A. A contribution from every other director who could be held liable under subsection 1 for the unlawful distribution; and [2001, c. 2, Pt. A, §19 (AFF); 2001, c. 2, Pt. A, §18 (COR) .]

B. Recoupment from each shareholder of the pro rata portion of the amount of the unlawful distribution the shareholder accepted, knowing the distribution was made in violation of section 651, subsection 1 or section 1410, subsection 1. [2003, c. 631, §18 (AMD) .]

[2003, c. 631, §18 (AMD) .]

3. Proceeding to enforce liability; 2-year period. A proceeding to enforce the liability of a director under subsection 1 is barred unless it is commenced within 2 years after the date:

A. On which the effect of the distribution was measured under section 651, subsection 5 or 7; [2003, c. 631, §18 (NEW) .]

B. As of which the violation of section 651, subsection 1 occurred as the consequence of disregard of a restriction in the corporation's articles of incorporation; or [2003, c. 631, §18 (NEW) .]

C. On which the distribution of assets to shareholders under section 1410, subsection 1 was made. [2003, c. 631, §18 (NEW) .]

[2003, c. 631, §18 (AMD) .]

4. Proceeding to enforce contribution or recoupment; one-year period. A proceeding to enforce a contribution or recoupment under subsection 2 is barred unless it is commenced within one year after the liability of the claimant has been finally adjudicated under subsection 1.

[2001, c. 640, Pt. A, §2 (NEW); 2001, c. 640, Pt. B, §7 (AFF) .]

SECTION HISTORY

RR 2001, c. 2, §A19 (AFF). RR 2001, c. 2, §A18 (COR). 2001, c. 640, §A2 (NEW). 2001, c. 640, §B7 (AFF). 2003, c. 631, §18 (AMD).

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